



# Brownfields Cleanup Revolving Loan Fund Pilot Project

## *Mystic Valley Development Commission, MA*

### BACKGROUND

The Mystic Valley Development Commission (MVDC) represents the cities of Everett, Malden, and Medford, Massachusetts. The three communities have a population of approximately 142,000 and are located in the inner suburban loop, five miles north of Boston. The three cities have demonstrated unprecedented cooperation to combine resources and collaboratively pursue redevelopment solutions.

The MVDC is focusing brownfields activities on the TeleCom City® project. The TeleCom City® project is the ambitious redevelopment of 207-acres of former industrial property spanning the communities of Malden, Medford, and Everett along the polluted and underused Malden River into a center for the state's telecommunications industry. The area is heavily urbanized and there is no greenspace available for new industrial development. When complete, TeleCom City® will be a complex consisting of 1.8 million square feet of office, research and development, and manufacturing space as well as a riverfront park and open space for local residents.

Since its inception, the MVDC has been working steadily toward its goal of sustainable redevelopment and community involvement. TeleCom City® will create a state-of-the-art telecommunications center that will capitalize on the cutting-edge technologies of the Massachusetts telecommunications industry to position the state and the three cities for new regional and international investment.

In 1998, the MVDC was selected as an Assessment

#### PILOT SNAPSHOT



**Date of Loan:**  
October 2001

**Amount:** \$225,000

**Loan Profile:** The MVDC is making a \$225,000 loan to the City of Malden for the cleanup of the former Solvent Chemical Site in Malden, MA.

Everett, Malden, and Medford,  
Massachusetts

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Demonstration Pilot and awarded \$200,000 in assessment funding. MVDC subsequently was awarded an additional \$150,000 in supplemental assessment funding. In May 1999, EPA selected the MVDC as a Brownfields Cleanup Revolving Loan Fund (BCRLF) pilot. Under this program, EPA provided the MVDC with \$500,000 to capitalize its revolving loan fund. In October 2000, the MVDC was awarded National Brownfields Showcase Community designation and an additional \$200,000 in assessment funding and technical assistance. In October 2001, the MVDC made its first loan, an intragovernmental loan, within the TeleCom City® project and subsequently received an award of \$500,000 in supplemental funding for its BCRLF from EPA. This award brings EPA's Brownfields funding commitment to

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MVDC to a total of \$1.6 million.

## STRUCTURE OF THE BCRLF PROGRAM

The MVDC serves as the lead agency for the BCRLF program and is responsible for ensuring that environmental cleanups conducted with funding from the BCRLF are done in compliance with all applicable laws and regulations and that the BCRLF funds are used for authorized purposes. The Malden Redevelopment Authority (MRA), as Project Manager of the TeleCom City® project, has been designated by the MVDC to be the Brownfields Site Manager and the Fund Manager of the MVDC's BCRLF.

## TERMS OF THE LOAN

On October 16, 2001, the MVDC made a \$225,000 intragovernmental loan from the its Brownfields Cleanup Revolving Loan Fund. The proceeds of the loan are to be used to finance a non-time critical removal action at the former Solvent Chemical Site located on Lower Commercial Street in Malden. The cleanup of this site is critical to the redevelopment of the 207-acre TeleCom City® project since it will facilitate the reconstruction of Commercial Street as the "Gate Way" to the project. In addition, the cleanup will eliminate the potential public health threats associated with the current contamination.

The loan is an intra-governmental loan, the reimbursable transfer of BCRLF loan funds within the same government, and is eligible for a loan discount of 20% of the loan amount. The discounted principal is \$180,000. The interest rate for the loan will be 5%. A repayment schedule of the discounted principal and accrued interest was established based on 10 annual payments starting October 2003. The source of repayment was established as the net proceeds of a lease to be negotiated between MRA and the City of Malden for the Public Works Way property. The lease payments and underling property were pledged to the MVDC and, in turn, were the collateral for the loan. The final maturity of the loan will not exceed 10 years from October 2002.

## BCRLF CLEANUP SITE

The site is located within the MVDC's TeleCom City® project boundaries. The project site is identified as an approximately 138,000 square foot area of land located along Commercial Street in the City of Malden. The

environmental contamination at the site consists of a pool of dichlorobenzene that sits approximately 30 feet underground, with the highest concentration of contaminants under Commercial Street between a produce market and the Malden Department of Public Works (DPW) facility. Contamination on the site is believed to be from the former Solvent Chemical Company that operated at the site and manufactured dichlorobenzene, among other chemicals. The dichlorobenzene is leaching into the groundwater and contaminating the Malden River. MVDC intends to install a treatment system to extract the pool of chemicals to eliminate this source of contamination to the groundwater and the river. The treatment system will consist of a stand-alone low-flow groundwater treatment unit and DNAPL recovery well system. The BCRLF loan funds will pay for the construction and operation and maintenance of the treatment system for 1 year. MVDC will pay for additional operation and maintenance beyond 1 year, if needed.

## PROPOSED SITE REUSE PLAN

The former Solvent Chemical site is currently occupied by a roadway, a produce market, a DPW facility and other local businesses. The local businesses and DPW yard will remain during and following the removal action. The cleanup of this site is critical to the redevelopment of the 207-acre TeleCom City® project since it will facilitate the reconstruction of Commercial Street as the "Gate Way" to the project.

## CONTACTS

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For additional information, contact the RCRA/Superfund/EPCRA Hotline at: (800) 424-9346 or visit the EPA Brownfields website at: <http://www.epa.gov/brownfields>.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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